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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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Organization

1. The headquarters of the VEB Arzneimittelwerk Dresden is situated at Dresden-Radebeul, Gartenstrasse 16-18. The combine has been formed from the following four separate firms:
 - a. Madaus - Dresden-Radebeul, Gartenstrasse 16-18.
 - b. Wecusta - Dresden, Leipzigerstrasse.
 - c. Gehe und Co. - Dresden, Meissenerstrasse.
 - d. Alkaloidfabrik - Dresden-Radebeul, Birkenstrasse.
2. Prior to the general reorganization of the industry, the combine belonged to the VVB Pharma, which, in turn, was subordinate to the State Secretariat for Chemicals, Stones, and Clays. In early 1953, the VVB Pharma was dissolved and the majority of the firms which it had controlled, including the VEB Arzneimittelwerk, were made subordinate to the newly founded Main Department for the Pharmaceutical Industry of the Ministry of Health. This department is staffed by former officials of VVB Pharma, and the principal officials are:
 - a. Head of Department - Duebler (fnu) (appointment as yet only provisional).
 - b. Scientific head - Dr. Fichtner (chemist).
 - c. Technical head - Dr. Hentze.

Basic Distribution of Production Assignments

3. The production programs of the four firms of which the combine was composed have undergone considerable changes from the days when the firms were inde-

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

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pendent. The program is divided, in general, as follows:

- a. Madaus - production of penicillin and xanthocillin.
manufacture of ampules.

The preparation of homoeopathic medicines was formerly the main assignment of this plant; but is now becoming more and more the responsibility of the firm Homoeopharm, Leipzig, formerly Wilmar Schwabe.

- b. Gehe - manufacture of tablets
- special preparations
- galenical pharmacy (emulsions, solutions)
- no experimental work
- c. Wecusta - ointments and ointment bases
- organic preparations
- oils for clocks
- special preparations including an injectable honey preparation, "Melven" and an organic preparation, thrombin.
- d. Alkaloidwerk - preparation of alkaloids and glycosides.

Production of Antibiotics

4. The monthly production of penicillin by the former Madaus factory averages 10,000,000,000 units. It is distributed in East Germany and not used for export, reparations, or storage. The quality of the penicillin for use by injection is inferior to that produced by Jenapharm. The factory uses the following tanks for penicillin production:

One 10,000 liter tank
One 6,000 liter tank
Two 4,000 liter tank
Two 2,000 liter tank

Depot penicillin is not yet produced. The installations formerly used for penicillin production by the surface system are now given over to xanthocillin production.

5. An average of 3 kgs of xanthocillin is also being produced monthly by the Madaus factory. This antibiotic was developed in the factory but originally it was refused recognition in the East German Pharmacopoeia by the Central Advisory Council (Zentrale Gutachterausschuss) as being both superfluous and unsuitable. The persons most responsible for this decision were Professor Linser² and Professor Hauschild³. They based their objections on the assumption that it would only contribute to the development of resistant strains of pathogenic bacteria. As xanthocillin was designed exclusively for local application and it could be proved that it had been so used experimentally without producing any resistant bacteria, this objection was shown to be invalid, and finally the use of xanthocillin for local application was approved.
6. Xanthocillin is produced in the following forms:
- a. Xanthocillin powder - principally for intra-peritoneal use.
- b. Eyedrops and ointments - for ophthalmology, surgery and dermatology.
- c. Capsules - for dental surgery.

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A preparation for injection in conjunction with "Jenacain" or "Novocain" is being developed for use in dental surgery. No general injection preparation is contemplated, as xanthocillin is not suitable for this.

Development Work Carried out by the Alkaloidwerk

7. In 1946, a chemist named Kesselring (fnu), of the Madaus firm began experiments to produce morphine and to convert the morphine obtained into codeine. As the space occupied by the firm was inadequate, empty premises in Radebeul, Birkenstrasse, were taken over and the following year the Alkaloidwerk was formed at that site.
8. The Alkaloidwerk, which employs some 40 to 50 persons, is very primitively equipped. Working conditions are very poor and because of illness the absentee rate is high.
9. The principal development work being carried out in the factory is as follows:
 - a. Conversion of raw morphine (from poppy capsules coming from Goerlitz) into morphine DAB 6¹.
 - b. Conversion of morphine into codeine.
 - c. Atropine - production from belladonna roots, obtained from Bulgaria and Rumania, allegedly largely for export to the USSR.
 - d. Ergot alkaloids. Ergot is produced by the artificial impregnation of corn with Claviceps purpurea. The factory cannot, of course, undertake the complicated process of separating the various ergot alkaloids, so only a mixed preparation is obtained. An attempt by Dr. Robert Thren to cultivate Claviceps purpurea by a submersion process failed; the fungus did grow, but it revealed no alkaloid content.
 - e. Glycoside - "Panlanat". A new preparation called "Panlanat" is to be marketed, which, like the von Beyersdorf, Hamburg, preparation, is made from Digitalis lanata.
 - f. Rutin. The buckwheat glycoside. This has vasoconstrictory properties and will be converted into a preparation called "Rutabion".
 - g. Strophanthin. Attempts to produce a preparation of the West German Bayer type, combining "Novocain" and strophanthin have failed. The approach to the task was amateurish; a solution of the appropriate concentration of "Novocain" hydrochloride and strophanthin was prepared, made into ampules and sterilized. The injection of the solution resulted in the death of two patients; the cause of death has not been established but two theories advanced are:
 - (1) decomposition of the "Novocain" on sterilization;
 - (2) hydrolytic separation of the glycoside by the dissociated "Novocain" hydrochloride.
 - h. "Dionin" and Dilaudid. The development of "Dionin" and "Dilaudid" up to the technical production stage is ended.
 - i. Dihydrocodeinon ("Eucodal"). This is to be produced by a process worked out by the chemical and scientific director of the Alkaloidwerk, Dr. Stein (fnu).

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Personnel (all names phonetic)

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a. Head of Combine: Dipl. Ing. Alfred Kraft. Metallurgist. Member of SED. [REDACTED]

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b. Planning: Dipl. Volkswirt (economist) Dr. Froehlich. [REDACTED]

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c. Personnel: Georg Hoffman. SED. [REDACTED]

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d. SED Secretary: The principal SED Secretary is Bischoff (fnu). At present, he is in training and affairs are in the hands of the second secretary, Paetzold (fnu). [REDACTED]

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e. Scientific employees:(1) Scientific director: Dr. Robert Thren. [REDACTED]

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(2) Technical director: Dr. Heinz Falta. Chemist. [REDACTED]

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(3) Xanthocillin production and development: Rudi Beyersdorf. [REDACTED]

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f. Development work: Merkel (fnu). Pharmacist. [REDACTED]

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g. Alkaloid research:

(1) Dr. Stein (fnu); chemist.

(2) Dr. Walter Siebeck; pharmacist; glycoside research.

(3) Dr. Schaefer (fnu); chemist; organic preparations at Wecusta.

(4) Dr. Lieschke (fnu); physician; recently resigned.

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1. Comment: DAB stands for Deutsches Arzneibuch.

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2. Comment: Professor Karl Linser is the director of the Berlin Humbolt University skin clinic and a former Ministry of Health official.

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3. Comment: Professor Fritz Hauschild, the director of the Leipzig University pharmacological institute.

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